

1 11:11 a.m.)

2 CHAIRMAN JAMES: Here today to discuss the  
3 treatment side are Doctor Valerie Lorenz, Executive  
4 Director of the Compulsive Gambling Center in  
5 Baltimore, and Edward Looney, Executive Director --  
6 I'm going to ask for quiet in the room, please, we  
7 have a very full agenda and we really do need to get  
8 through this -- Executive Director for the Council on  
9 Compulsive Gambling of New Jersey, and each of you  
10 will have 15 minutes, and please allow time for  
11 questions within that 15 minutes. Welcome, and we  
12 greatly anticipate your testimony. Thank you.

13 Doctor Lorenz.

14 DOCTOR LORENZ: Thank you, Chairman James.

15 First of all, I would like to thank you  
16 for the opportunity of being able to speak with you.  
17 I had sent information to this Commission prior, I  
18 understand there's a question of whether or not you  
19 have it, so I will have to change my comments from  
20 what I had intended to make and, perhaps -- you do  
21 have it now?

22 CHAIRMAN JAMES: Yes.

1 DOCTOR LORENZ: Thank you.

2 I have specialized in the field  
3 of compulsive gambling now for 25 years. I was  
4 originally trained in community psychology. In  
5 community psychology, we look at what are the hostile  
6 agents in a community that affect the health of the  
7 citizens. Pathological gambling is of concern to  
8 mental health practitioners now, not just in the  
9 United States, but across the world.

10 In 1978, there was one conference,  
11 sponsored by the University of Nevada, which had  
12 topics on compulsive gambling. Today there are  
13 national and international conferences several times  
14 throughout the year looking at the issues of  
15 compulsive gambling.

16 Compulsive gambling is a problem that  
17 exists in other countries and in the United States. There  
18 are hospital-based and out-patient treatment programs  
19 now, not just in the United States, but they are also  
20 in Canada, in Germany, in Great Britain, in Spain, in  
21 Argentina, in Italy, in Australia, they are everywhere  
22 now.

1           Today, pathological gambling is widespread.  
2   It is found among all age groups, and, again, having  
3   said that, I've been in this field for 25 years, when  
4   I originally entered this field typically a  
5   pathological gambler would be someone in the 45-50  
6   year age range, typically a White middle class  
7   businessman, lawyer, accountant, who typically would  
8   have the money and the time to fly to Las Vegas or to  
9   go to the race track, that has changed with the  
10   proliferation of gambling, all forms of gambling,  
11   whether it's casino gambling, whether it's state  
12   lotteries, whether it's race track, off track betting  
13   parlors, Keno, slot machines, legalized Bingo parlors  
14   and even legalized sports betting.

15           Today, compulsive gambling is found among  
16   all age groups, all social classes, all economic  
17   classes, among the highly educated, as well as among  
18   as the illiterate, among the highly skilled and  
19   successfully employed, as well as among the  
20   unemployed, of all races, religious beliefs, both  
21   sexes. It has become a democratic illness and has  
22   been termed the addiction of the '90s, and it, without

1 a doubt, has become a national health problem.

2 Pathological gambling is a psychiatric  
3 disorder. It has been recognized by the American  
4 Psychiatric Association and the World Health  
5 Organization since 1979. It has been acknowledged by  
6 the American Medical Association, by the courts, and  
7 by the insurance companies.

8 Unfortunately, it has not been recognized  
9 readily by the general community as an illness. It is  
10 still seen as a vice, or a sin, or as a sign of weak  
11 moral character. Why? I would suggest it is because  
12 our governments, our state governments and our local  
13 governments, and the gambling industry itself, has  
14 failed to allocate the funds necessary for education  
15 and prevention programs.

16 We have talked in the past session about a  
17 definition, and the various definitions that are  
18 occurring. Quite frankly, I put it in terms of  
19 addictions. We have alcohol abuse and there is  
20 alcohol dependence. We can use a similar analogy,  
21 gambling abuse and gambling dependence. When I am  
22 speaking about pathological gambling I am talking

1 about the equivalent of alcoholics or drug addicts,  
2 I'm talking about pathological gamblers, individuals  
3 who have become addicted to gambling.

4           Recognize, too, though, that there is a  
5 vast difference between someone who is hooked on  
6 nicotine, who smokes cigarettes and develops  
7 emphysema, and, perhaps, may die from it, and from  
8 someone who is hooked on gambling, who affects many  
9 people in his life or her life, as well as people from  
10 whom he is employed, or whom he employs. A compulsive  
11 gambler, who owns a company, and uses company funds to  
12 support his addiction, whether it is casino gambling,  
13 or race track gambling, or regardless of what type of  
14 gambling, that company owner can take the company down  
15 and every one of those employees can lose their jobs.  
16 I have seen it happen.

17           There are many contributing factors to  
18 pathological gambling. It is not any one factor, and  
19 having treated compulsive gamblers for many years, I  
20 have absolutely no difficulty in stating this and  
21 proving it, I see it daily with every one of our  
22 patients. The most significant and the primary factor

1 is that of being born into a dysfunctional family of  
2 origin. There is no question about it, that two thirds  
3 of our compulsive gamblers have typically a father who  
4 is either addicted to alcohol, it may be drugs, but  
5 typically 60 percent have an alcoholic father, and  
6 that addiction may be past or present. There  
7 typically is a major illness, either a physical  
8 illness or a psychological illness such as depression,  
9 perhaps, in the other parent. There are parental  
10 difficulties. There is inconsistent parenting. There  
11 is lack of nurturance and guidance, and there is abuse  
12 in these families, and that abuse may be physical  
13 abuse, it may be verbal abuse, it may be psychological  
14 abuse, more in the forms of neglect, and, yes, it is  
15 also sexual abuse. So, the dysfunctional family of  
16 origin is there, and I state that because in treatment  
17 compulsive gambling we must also treat the family.

18           A second factor contributing to  
19 pathological gambling is the emphasis on money that  
20 occurs within these families. These families are  
21 almost unique in it, and it is either because they  
22 come from an impoverished background or money is

1 taught to the children as a measure of one's worth.

2           Another contributing factor are the unique  
3 personality characteristics of the compulsive gambler.  
4 They are very competitive. They are above average in  
5 intelligence. They have a facility with numbers that  
6 is just amazing, but as Doctor Volberg indicated they  
7 also have low self-esteem, poor coping skills, poor  
8 conflict resolution skills, poor communication skills,  
9 and all of these issues become treatment issues.

10           There may also possibly be a genetic  
11 component. We have not had the monies to do the  
12 neurological studies that need to be done. Certainly,  
13 a major factor are those critical life incidents,  
14 those losses, the traumas, the stressors, that lead to  
15 anxiety and to depression, for which gambling, or  
16 alcohol, or drugs become that alternate escape.

17           There is no doubt in my mind also that the  
18 availability of gambling is a factor. We can now  
19 gamble walking down the street buying lottery tickets.  
20 We can phone in our bets, whether it's to the race  
21 track or whether it's to the bookie. We can mail in  
22 our subscriptions to the lottery.

1           Another environmental factor is that of  
2 gambling advertisement, gambling advertisement  
3 definitely is directed to our young children and that  
4 is imprinting on the young mind.

5           There is easy access to cash and credit  
6 cards. It is not at all unusual for a college student  
7 to have ten, 20 solicitations for credit cards.  
8 Credit has also been extended to casinos, that  
9 certainly contributes to the ongoing addiction.

10           And, last, but by no means least, and I do  
11 hope that this is something that the Commission will  
12 study very carefully and do something about, and that  
13 is the lack of health care, the lack of insurance, the  
14 problems that have been generated by managed care  
15 companies, and the lack of trained professionals who  
16 can possibly treat pathological gamblers.

17           Pathological gambling, while it is its own  
18 illness in its own right, is always a function of  
19 underlying factors and cognitive disorders, and these  
20 become a major focus of treatment.

21           Consequently, over the many years that I,  
22 as a researcher, or a clinician, have looked at



1 treatment programs across the country, and across the  
2 world for that matter, we have at this point developed  
3 a treatment program which does lead to a high success  
4 rate, which is very different from the kinds of  
5 successes that we see, or failures, for instance, that  
6 we see in the alcohol or substance abuse field.

7           We have learned to use a comprehensive  
8 treatment team, the psychiatrists, the psychologists,  
9 the social workers, the addictions counselors, the  
10 adjunctive therapies, whether it's art therapy or  
11 acuculture, all of these serve a different purpose and  
12 all of these, in our program, are used not just by the  
13 gambler, but also by the individual family members who  
14 themselves, as a result of this excessive gambling,  
15 which very often has gone on for years, leads to  
16 depression and anxiety.

17           Our patients today are much more seriously,  
18 psychiatrically disturbed than they were ten years ago  
19 or 15 years ago. Back then, perhaps, Gamblers  
20 Anonymous alone would have been sufficient. It is no  
21 longer. Absolutely, I support Gamblers Anonymous, but  
22 in a junction to professional treatment, not just for

1 the gambler, but also Gamanon for family members.

2 Gamblers Anonymous is a support group, it  
3 does not get to the underlying factors that contribute  
4 to this illness.

5 And, the additional problem we have with  
6 Gamblers Anonymous is, perhaps, by comparison between  
7 Washington and Baltimore, where our Compulsive  
8 Gambling Center is located, there are more chapters of  
9 Alcoholics Anonymous than there are Gamblers Anonymous  
10 in the entire country. Gamblers Anonymous has a very  
11 high attrition rate.

12 Our difficulty with managed care companies  
13 at this point, as Doctor Lesieur reported to you,  
14 about a third of our patients, perhaps, have health  
15 insurance. Most of them do not have -- none of them  
16 have money to pay for treatment, very rarely do the  
17 families have the money to pay for treatment, very few  
18 of them have health insurance, and if they have health  
19 insurance the managed care companies tend to deny the  
20 appropriate treatment and the amount of treatment that  
21 is necessary for adequate recovery.

22 Insurance companies sometimes have an

1 arbitrary exclusion for pathological gambling, and I  
2 certainly hope that this is something that the  
3 Commission will recommend be undone. I have seen  
4 insurance policies where it specifically says that  
5 treatment for pathological gambling is excluded, that  
6 needs to change.

7           There is the high cost of policies,  
8 restricted coverage for family members, the denial of  
9 basic psychological testing which needs to be done on  
10 these patients, because gamblers are experts with  
11 words, and they present an image of themselves, and  
12 through psychological testing we can much quicker get  
13 to the underlying factors in the individual and start  
14 an appropriate treatment strategy.

15           I wish to point out that the cost of  
16 incarcerating one compulsive gambler is greater than  
17 the cost of treatment the gambler and the family  
18 members, resulting in restored health, improved  
19 health, better than they ever had before, and  
20 returning the individual to productive work and  
21 employment.

22           You had asked me to make various

1 recommendations. Certainly, I would support the  
2 recommendations made by Professor Lesieur and Doctor  
3 Volberg. This Commission, if nothing else, recognize  
4 that the problem of compulsive gambling exists in our  
5 society, stop denying it, stop saying it is not as bad  
6 or it is not this or it is not that. The problem is  
7 here, and we need to do something about it, instead of  
8 encouraging activities that will expand the issues of  
9 compulsive gambling.

10 I had not thought of the idea of having the  
11 -- what was it Doctor Lesieur said about the central  
12 resource for gambling information, but certainly that  
13 is necessary. There are other things that need to be  
14 done. I think it is incredibly harmful, as a  
15 clinician, as a parent, as a researcher, as someone  
16 going to court repeatedly now with these compulsive  
17 gamblers, it is incredibly harmful to have young  
18 children being allowed in casinos. We do not allow  
19 them in bars at all hours of the night, this needs to  
20 stop.

21 We need to have a uniform minimum age.  
22 It's 21 in most states for alcohol, we should have a

1 similar age for compulsive gambling. We need to look  
2 at the advertising that is being done by lotteries,  
3 state lotteries, in particular, tend to appeal to  
4 young children, it needs to stop. We don't need  
5 themes of marbles and pirates for lottery advertising.

6

7           We need to look at our correctional system.  
8 There's only one state, Minnesota, which at this point  
9 looks at offenders who have committed financial  
10 crimes, who are routinely given an assessment to  
11 determine if they may have a gambling addiction. This  
12 is something that should be done in every single  
13 state.

14           We need to do something similar with our  
15 bankruptcy courts. Our bankruptcies across the  
16 country are going up. Many of them are related to  
17 compulsive gambling. For many cases, this is another  
18 bail out, it is clinically unsound, and we need to  
19 look at what we are doing in terms of our  
20 bankruptcies.

21           I would certainly hope that this  
22 Commission, if nothing else, can also establish a

1 permanent office on compulsive gambling, just like  
2 there is a permanent Council on Alcoholism. There is  
3 no reason in today's day of knowledge on pathological  
4 gambling that our various Senate and House committees,  
5 whether it's in Congress or whether it's in state  
6 legislatures, should not have a committee on  
7 compulsive gambling. Every Department of Health  
8 should have an office of compulsive gambling, just  
9 like we have offices on alcoholism and other  
10 disorders. That's the very least that we can do.

11           And, certainly, I would hope that Congress,  
12 and the gambling industry, whether it's the casinos,  
13 and the state lotteries, and the other forms of  
14 gambling, get together with us in the mental health  
15 field and address the problems that have been created  
16 by managed care and the lack of insurance, because  
17 unless these individuals are treated we're simply  
18 going to expound the problems.

19           CHAIRMAN JAMES: Thank you, Doctor Lorenz.  
20 Unfortunately, I'm going to have to ask you to stop  
21 there and turn now to Mr. Looney.

22           MR. LOONEY: Thank you.